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MEMBERSHIP

October 30, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: ALPS LOGISTICS CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 9055
 URL: <https://www.alps-logistics.com/jp/ir/>
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 Scheduled date to file semi-annual securities report: November 11, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	60,984	4.3	2,660	(3.9)	2,442	(24.9)	1,508	(19.6)
September 30, 2023	58,485	(6.2)	2,769	(34.1)	3,252	(36.2)	1,876	(36.9)

Note: Comprehensive income For the six months ended September 30, 2024: ¥1,215 million [(63.9)%]
 For the six months ended September 30, 2023: ¥3,367 million [(28.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	42.52	42.45
September 30, 2023	52.95	52.84

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	98,188	65,560	62.1	1,719.46
March 31, 2024	102,521	65,506	59.2	1,710.41

Reference: Equity
 As of September 30, 2024: ¥60,994 million
 As of March 31, 2024: ¥60,652 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	22.00	—	22.00	44.00
Fiscal year ending March 31, 2025	—	0.00			
Fiscal year ending March 31, 2025 (Forecast)			—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

As announced in the “Notice Regarding Expression of Opinion in Support of the Planned Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates etc. by LDEC, Ltd. and Notice of Capital and Business Alliance” and the “Notice Regarding Dividends of Surplus (No Dividends)” released on May 9, 2024, the Company passed a resolution that it would not be providing dividends of surplus for the second quarter-end and for the fiscal year-end for the fiscal year ending March 31, 2025 in light of the tender offer by LDEC, Ltd. for the Company’s common shares, etc.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

As announced in the “Notice Regarding Expression of Opinion in Support of the Planned Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates etc. by LDEC, Ltd. and Notice of Capital and Business Alliance” released on May 9, 2024 and in the “Notice Regarding Results of the Tender Offer for the Company’s Share Certificates, Etc. by LDEC, Ltd. and Changes in the Parent Company and the Major Shareholder” released on October 5, 2024, the Company’s shares will be delisted. Accordingly, consolidated earnings forecasts for the fiscal year ending March 31, 2025 are not presented.

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common stock)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	35,501,000 shares
As of March 31, 2024	35,488,600 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2024	28,047 shares
As of March 31, 2024	27,928 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	35,468,852 shares
Six months ended September 30, 2023	35,443,362 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

As announced in the “Notice Regarding Expression of Opinion in Support of the Planned Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates etc. by LDEC, Ltd. and Notice of Capital and Business Alliance” released on May 9, 2024 and in the “Notice Regarding Results of the Tender Offer for the Company’s Share Certificates, Etc. by LDEC, Ltd. and Changes in the Parent Company and the Major Shareholder” released on October 5, 2024, the Company’s shares will be delisted. Accordingly, consolidated earnings forecasts for the fiscal year ending March 31, 2025 are not presented.

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1. Overview of operating results, etc.

(1) Analysis of operating results

During the six months ended September 30, 2024 (April-September 2024), with regard to the global economy, although the United States economy remained resilient overall, there is a growing concern that policy interest rate cuts could lead to a resurgence of inflation. In Europe, although interest rates were cut as inflationary pressures eased, the economy remains stagnant. In China, while exports are driving the economy due to increased foreign demand, domestic demand is generally sluggish and consumption continues to lack momentum. The Japanese economy showed signs of a gradual recovery, with exports and inbound demand remaining strong driven by recovery in foreign demand, despite rising prices leading to sluggish real wage growth and personal consumption showing signs of weakness.

In this business environment, financial results for the six months ended September 30, 2024 showed ¥60,984 million in net sales (up 4.3% year on year), ¥2,660 million in operating profit (down 3.9%), ¥2,442 million in ordinary profit (down 24.9%) and ¥1,508 million in profit attributable to owners of parent (down 19.6%).

Overview of segments

(i) Electronic components logistics business

In the electronic components industry, which is the main customer of this business, automotive components-related production remained relatively strong, and generative AI applications are driving the market for semiconductors. Demand for industrial machinery components remained weak amid a background of sluggish capital investment and other factors, while demand for consumer equipment and telecommunications and IT equipment such as personal computers and smartphones remained stagnant.

During the six months ended September 30, 2024, net sales increased due to the Company conducting sales promotions for new customers and the impact of the depreciation of the yen, although the business environment was challenging largely as a result of a decrease in air transportation mostly due to the shift in international transportation cargo from air transportation to marine transportation and a decrease in existing cargo handling volume mostly due to stagnant production. Despite efforts to improve productivity and take other measures, profits decreased due to the impact of one-time expenses accompanying the opening of a new warehouse and increases in subcontract costs, personnel expenses, and other costs.

Financial results for this segment showed ¥32,085 million in net sales (up 2.9% year on year) and ¥1,320 million in operating profit (down 22.1%).

(ii) Material sales business

In the material sales business, the Company sells electronic component-related packaging materials, molding materials, and electronic devices. The Company specializes in proposals for electronic device procurement agency services with integrated procurement and logistics, as well as proposals of packing materials aimed at improving logistics.

During the six months ended September 30, 2024, net sales increased due to an increase in sales of electronic devices for automotive components to overseas. Meanwhile, profits decreased mainly due to a deterioration of cost of sales ratio resulting from a temporary appreciation of the yen.

Financial results for this segment showed ¥13,713 million in net sales (up 5.0% year on year) and ¥491 million in operating profit (down 4.6%).

(iii) Consumer products logistics business

In the consumer products logistics field, demand is expanding in conjunction with growth in delivery services and mail-order businesses, while the industry overall faces challenges in securing and developing human resources, such as drivers.

In this business environment, Ryutsu Service Co., Ltd., which handles the Group's consumer logistics, is working to incorporate intercompany logistics, which corresponds to the upstream area of the consumer logistics sector, and to expand the product distribution center operations, such as cosmetics, medical-related delivery and transportation, as well as expand the consumer cooperative delivery business.

During the six months ended September 30, 2024, net sales increased due to factors that include sales promotions and solid results in shipments for existing customers in mail-order and EC logistics, despite sales in the consumer cooperative delivery business remaining at the same level as the previous fiscal year. Meanwhile, profits increased due to the impact of the increase in revenue and efforts to improve efficiency

through automation and other measures, despite higher freight costs and personnel expenses accompanying increased net sales and other factors.

Financial results for this segment showed ¥15,184 million in net sales (up 6.6% year on year) and ¥848 million in operating profit (up 51.3%).

(2) Overview of financial position

(i) Assets, liabilities and net assets

Compared with the end of the previous fiscal year, assets, liabilities and net assets at the end of the six months ended September 30, 2024 are as follows.

For assets, current assets decreased by ¥3,217 million, mainly due to a decrease of cash and deposits. Non-current assets decreased by ¥1,115 million, mainly due to further depreciation of property, plant and equipment and intangible assets. As a result, total assets were ¥98,188 million, a decrease of ¥4,332 million compared with the end of the previous fiscal year.

For liabilities, current liabilities increased by ¥485 million, mainly due to an increase due to a reclassification of long-term borrowings into short-term borrowings, despite a decrease of trade accounts payable and a decrease of lease liabilities included in other. Non-current liabilities decreased by ¥4,872 million, mainly due to a decrease due to reclassification of long-term borrowings into short-term borrowings. As a result, total liabilities were ¥32,628 million, a decrease of ¥4,386 million compared with the end of the previous fiscal year.

Net assets increased by ¥54 million from the end of the previous fiscal year to ¥65,560 million, mainly reflecting an increase due to securing profits, partially offset by a decrease of foreign currency translation adjustment and a decrease due to the payment of dividends.

Equity-to-asset ratio was 62.1%, an increase of 2.9 percentage points compared with the end of the previous fiscal year.

(ii) Cash flows

Cash and cash equivalents at the end of the six months ended September 30, 2024 amounted to ¥21,037 million, a decrease of ¥2,573 million compared with the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥2,090 million (a decrease of ¥2,116 million in net cash provided compared with the same period of the previous fiscal year), mainly due to the recording of ¥2,427 million in profit before income taxes.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥1,861 million (a decrease of ¥809 million in net cash used compared with the same period of the previous fiscal year). Major uses of cash were purchases of property, plant and equipment and intangible assets to build a new warehouse and improve productivity.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥2,572 million (a decrease of ¥114 million in net cash used compared with the same period of the previous fiscal year). The major outflows were ¥1,374 million in repayments of lease liabilities and ¥780 million in dividends paid.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

As presented in “3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)” in the summary information, the Company’s shares will be delisted as a result of the tender offer for the Company’s share certificates, etc. by LDEC, Ltd. and the series of subsequent procedures scheduled thereafter, and therefore, the consolidated earnings forecasts for the fiscal year ending March 31, 2025 are not presented.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	23,933	21,333
Trade notes and accounts receivable	18,953	19,025
Merchandise	1,788	1,700
Other	3,195	2,609
Allowance for doubtful accounts	(18)	(32)
Total current assets	47,852	44,635
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,754	18,258
Land	19,245	19,269
Other, net	9,393	8,788
Total property, plant and equipment	47,394	46,315
Intangible assets		
Other	3,882	3,823
Total intangible assets	3,882	3,823
Investments and other assets		
Investment securities	277	266
Other	3,116	3,149
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	3,391	3,414
Total non-current assets	54,668	53,552
Total assets	102,521	98,188
Liabilities		
Current liabilities		
Trade accounts payable	12,967	10,073
Short-term borrowings	1,938	6,101
Income taxes payable	691	866
Provision for bonuses	1,579	1,695
Provision for bonuses for directors	–	31
Other	7,164	6,060
Total current liabilities	24,342	24,828
Non-current liabilities		
Long-term borrowings	5,100	900
Provision for retirement benefits for directors	34	37
Retirement benefit liability	1,821	1,870
Other	5,716	4,991
Total non-current liabilities	12,672	7,800
Total liabilities	37,014	32,628

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,353	2,357
Capital surplus	2,057	2,055
Retained earnings	52,754	53,482
Treasury shares	(19)	(20)
Total shareholders' equity	57,145	57,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	115	108
Foreign currency translation adjustment	3,388	2,994
Remeasurements of defined benefit plans	2	16
Total accumulated other comprehensive income	3,506	3,119
Share acquisition rights	44	36
Non-controlling interests	4,809	4,529
Total net assets	65,506	65,560
Total liabilities and net assets	102,521	98,188

(2) Semi-annual consolidated statement of income and comprehensive income**For the six months ended September 30, 2023 and 2024**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	58,485	60,984
Cost of sales	51,568	53,909
Gross profit	6,917	7,074
Selling, general and administrative expenses	4,147	4,414
Operating profit	2,769	2,660
Non-operating income		
Interest income	49	47
Dividend income	6	6
Foreign exchange gains	516	45
Other	67	75
Total non-operating income	641	175
Non-operating expenses		
Interest expenses	125	125
Commission expenses	—	210
Other	33	57
Total non-operating expenses	158	393
Ordinary profit	3,252	2,442
Extraordinary income		
Gain on sale of non-current assets	7	11
Total extraordinary income	7	11
Extraordinary losses		
Loss on sale and retirement of non-current assets	20	26
Total extraordinary losses	20	26
Profit before income taxes	3,239	2,427
Income taxes - current	1,160	850
Income taxes - deferred	(55)	(65)
Total income taxes	1,105	785
Profit	2,134	1,641
Profit attributable to		
Profit attributable to owners of parent	1,876	1,508
Profit attributable to non-controlling interests	257	133
Other comprehensive income		
Valuation difference on available-for-sale securities	38	(7)
Foreign currency translation adjustment	1,175	(432)
Remeasurements of defined benefit plans, net of tax	18	13
Total other comprehensive income	1,232	(426)
Comprehensive income	3,367	1,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,895	1,120
Comprehensive income attributable to non-controlling interests	471	94

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,239	2,427
Depreciation	2,362	2,763
Decrease (increase) in trade receivables	(744)	(234)
Decrease (increase) in inventories	70	78
Increase (decrease) in trade payables	1,006	(2,816)
Increase (decrease) in other liabilities	(31)	(295)
Other, net	(151)	884
Subtotal	5,752	2,807
Interest and dividends received	55	54
Interest paid	(126)	(85)
Income taxes paid	(1,477)	(685)
Other, net	3	(0)
Net cash provided by (used in) operating activities	4,207	2,090
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,533)	(1,467)
Proceeds from sale of property, plant and equipment	20	13
Purchase of intangible assets	(377)	(407)
Other, net	218	(0)
Net cash provided by (used in) investing activities	(2,671)	(1,861)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1	(36)
Repayments of long-term borrowings	(66)	–
Proceeds from issuance of shares	0	0
Purchase of treasury shares	–	(0)
Repayments of lease liabilities	(1,139)	(1,374)
Dividends paid	(991)	(780)
Dividends paid to non-controlling interests	(489)	(380)
Net cash provided by (used in) financing activities	(2,686)	(2,572)
Effect of exchange rate change on cash and cash equivalents	968	(230)
Net increase (decrease) in cash and cash equivalents	(182)	(2,573)
Cash and cash equivalents at beginning of period	26,650	23,610
Cash and cash equivalents at end of period	26,467	21,037

(4) Notes to the semi-annual consolidated financial statements**Notes on segment information****I. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)**

The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segment				Adjustment	Per semi-annual consolidated financial statements (Note)
	Electronic components logistics business	Material sales business	Consumer products logistics business	Total		
Net sales						
Net sales from external customers	31,181	13,062	14,240	58,485	—	58,485
Transactions with other segments	—	—	—	—	—	—
Total	31,181	13,062	14,240	58,485	—	58,485
Segment profit	1,693	515	560	2,769	—	2,769

(Note) Segment profit is the same as operating profit in the semi-annual consolidated financial statements.

II. For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segment				Adjustment	Per semi-annual consolidated financial statements (Note)
	Electronic components logistics business	Material sales business	Consumer products logistics business	Total		
Net sales						
Net sales from external customers	32,085	13,713	15,184	60,984	—	60,984
Transactions with other segments	—	—	—	—	—	—
Total	32,085	13,713	15,184	60,984	—	60,984
Segment profit	1,320	491	848	2,660	—	2,660

(Note) Segment profit is the same as operating profit in the semi-annual consolidated financial statements.

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on significant subsequent events

(Result of tender offer for the Company's share certificates, etc. by LDEC, Ltd. and changes in the parent company and the major shareholder)

The tender offer ("Tender Offer") for the Company's shares ("Company Shares") and the share options (Company Shares and share options collectively referred to as "Company's Share Certificates, Etc.") commenced on August 22, 2024 by LDEC, Ltd. ("Tender Offeror") was completed on October 4, 2024.

As a result of the Tender Offer, the Tender Offeror has become the parent company and major shareholder of the Company on October 11, 2024 (the commencement date of settlement of the Tender Offer).

(Share consolidation, and abolition of provisions on share units and partial amendment to articles of incorporation)

I. Share consolidation**1. Purpose of and reasons for the share consolidation**

At the board of directors meeting held on October 30, 2024, the Company resolved to submit a proposal to an extraordinary general meeting of shareholders ("EGM") to be held on November 28, 2024 to consolidate Company Shares ("Share Consolidation") at a ratio of one share for 3,463,760 Company Shares, as described in "(2) Details of the share consolidation" in "2. Overview of the share consolidation" below, in order to make the Tender Offeror and ALPS ALPINE CO., LTD. ("ALPS ALPINE," the Tender Offeror and ALPS ALPINE are collectively referred to as "Tender Offeror Related Parties") the only shareholders of the Company, subject to approval of the shareholders at the EGM.

2. Overview of the share consolidation**(1) Schedule of the share consolidation**

(I) Date of public notice of the record date of the extraordinary general meeting of shareholders	September 26, 2024 (Thursday)
(II) Record date of the extraordinary general meeting of shareholders	October 11, 2024 (Friday)
(III) Date of resolution of the board of directors meeting	October 30, 2024 (Wednesday)
(IV) Date of the extraordinary general meeting of shareholders	November 28, 2024 (Thursday) (scheduled)
(V) Date of designation as securities to be delisted	November 28, 2024 (Thursday) (scheduled)
(VI) Last day of purchase and sales of the Company Shares	December 16, 2024 (Monday) (scheduled)
(VII) Date of delisting of the Company Shares	December 17, 2024 (Tuesday) (scheduled)
(VIII) Effective date of the share consolidation	December 19, 2024 (Thursday) (scheduled)

(2) Details of the share consolidation**(I) Class of shares to be consolidated**
Common shares**(II) Consolidation ratio**
3,463,760 shares of the Company Shares will be consolidated into one share.**(III) Total number of issued shares to be reduced**
35,472,943 shares**(IV) Total number of issued shares before the effectuation**
35,472,953 shares

(Note) Since the Company resolved at the board of directors meeting held on October 30, 2024, to cancel 28,047 shares of its treasury shares (representing all of the treasury shares held by the Company as of October 11, 2024) as of December 18, 2024, the "total number of issued shares before the effectuation" indicates the total number of

issued shares after such cancellation. Such cancellation of treasury shares is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at the EGM.

(V) Total number of issued shares after the effectuation
10 shares

(VI) Total number of authorized shares as of the effectuation date
40 shares

(VII) Method of treatment in case where fractions of less than one share occur and the amount of money expected to be delivered to the shareholders due to such treatment
Due to the Share Consolidation, the number of shares of the Company Shares held by the shareholders other than the Tender Offeror Related Parties is presumed to become a fraction of less than one share. With respect to the fractions of less than one share resulting from the Share Consolidation, the Company will sell the number of shares equivalent to the total number of such fractions (in case where such total number constitutes a fraction of less than one share, such fraction will be rounded down) and deliver the proceeds from such sale to the shareholders in proportion to the fractions attributable to each shareholder. With respect to such sale, the Company intends to sell the Company Shares to the Tender Offeror upon obtaining permission from the court in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act, because the Share Consolidation is being conducted as part of the series of the transactions, the purpose of which is to make the Tender Offeror Related Parties the only shareholders of the Company, and also because the Company Shares are presumed to be delisted as of December 17, 2024, and there is less possibility that a purchaser for shares that have no market price to appear in the auction.

Subject to the obtainment of the aforementioned permission from the court as scheduled, the Company plans to set the sales price in such case at such a price that the amount of money obtained by multiplying the number of shares of the Company Shares held by the shareholders listed in the Company's final shareholder register as of December 18, 2024, the day immediately preceding the effective date of the Share Consolidation, by 5,774 Japanese yen, which is the same as the purchase price in the Tender Offer, will be delivered. Provided, however, that the actual amount to be delivered may differ from the said amount in the events including where the permission from the court cannot be obtained or where calculational adjustment of fractions is required.

(VIII) Effect on per share information

Assuming the Share Consolidation commences on the first day of the previous fiscal year, the per share information for the six months ended September 30, 2023 and the six months ended September 30, 2024 is as follows.

(Yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Basic earnings per share	187,678,988.30	150,807,959.30
Diluted earnings per share	—	—

(Note) Diluted earnings per share is not presented because the Company has no potentially dilutive shares.

(3) Likelihood of delisting

As described in "1. Purpose of and reasons for the share consolidation" above, subject to the approval by the shareholders at the EGM, the Company intends to implement the Share Consolidation and make the Tender Offeror Related Parties the only shareholders of the Company. Consequently, the Company Shares is presumed to be delisted through prescribed procedures in accordance with the delisting standards of the TSE.

As to the schedule, the Company Shares is presumed to be designated as securities to be delisted from November 28, 2024 to December 16, 2024, and then be delisted on December 17, 2024. After the delisting, the Company Shares can no longer be traded on the TSE Prime Market.

II. Partial amendment to the articles of incorporation

1. Purpose of the amendment to the articles of incorporation

- (1) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, then the total number of authorized shares of the Company Shares will be reduced to 40 shares, pursuant to Article 182, Paragraph 2 of the Companies Act. The Company intends to amend Article 6 of the articles of incorporation (total number of authorized shares) in order to clarify this point, subject to the Share Consolidation becoming effective.
- (2) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed, the Company Shares is presumed to be delisted and will no longer be tradable on the TSE after the delisting. Therefore, the Company intends to delete Article 7 of the articles of incorporation (share buyback) in its entirety and adjust the subsequent numbers of the articles that accompany the said amendment.
- (3) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, then the total number of issued shares of the Company Shares will be reduced to 10 shares and the provision on the number of shares that constitutes a unit will no longer be needed. Accordingly, subject to the Share Consolidation becoming effective, the Company intends to delete Article 8 of the articles of incorporation (number of shares constituting a unit) in its entirety to abolish the provision on the number of shares of the Company Shares constituting a unit, which is currently 100 shares per unit, and adjust the subsequent numbers of the articles that accompany the said amendment.
- (4) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, the Company Shares will be delisted and the Tender Offeror Related Parties will be the only shareholders that hold one or more of the Company Shares. Thus, the provisions relating to the electronic provision of materials for the general meeting of shareholders will no longer be necessary. Accordingly, subject to the Share Consolidation becoming effective, the Company intends to delete Article 14 of the articles of incorporation (measures for electronic provision) in its entirety and adjust the subsequent numbers of the articles that accompany the said amendment.

2. Details of the amendment to the articles of incorporation

Details of the amendment are as set out below.

(Underline indicates that such portion has been amended.)

Current articles of incorporation	Proposed change
Article 1 to Article 5 (text omitted)	Article 1 to Article 5 (no change)
(Total number of authorized shares)	(Total number of authorized shares)
Article 6 The total number of authorized shares of the Company is <u>70 million shares</u> .	Article 6 The total number of authorized shares of the Company is <u>40 shares</u> .
<u>(Share buyback)</u>	(Deleted)
<u>Article 7 Pursuant to the provision of Article 165, Paragraph 2 of the Companies Act, the Company may acquire its own shares through market transactions by a resolution at the board of directors meeting.</u>	

<p><u>(Number of shares constituting a unit)</u></p> <p><u>Article 8</u> The number of shares constituting a unit at the Company is 100 shares.</p> <p><u>Article 9</u> to <u>Article 13</u> (text omitted)</p> <p><u>(Measures for electronic provision)</u></p> <p><u>Article 14</u></p> <p>(1) <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p>(2) <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>Article 15</u> to <u>Article 36</u> (text omitted)</p>	<p>(Deleted)</p> <p><u>Article 7</u> to <u>Article 11</u> (no change)</p> <p>(Deleted)</p> <p><u>Article 12</u> to <u>Article 33</u> (no change)</p>
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3. Schedule of the amendment to the articles of incorporation
December 19, 2024 (scheduled)
4. Terms and conditions for the amendment to the articles of incorporation
The amendment to the articles of incorporation is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at the EGM, and the Share Consolidation becoming effective.